

# Funds to combat Naxalism up by 20% in final push ahead of March deadline



NEW DELHI, Feb 1 (PTI)

THE Union Budget has allocated Rs 3,610.80 crore for security and infrastructure expenses as part of its strategy to counter Naxalism, an increase of over 20 per cent.

The Home Ministry seeks to eradicate the Left-Wing Extremism (LWE) from the country by March 31.

An amount of Rs 3,610.80 crore has been allocated for Security Related Expenditure (SRE) and the Special Infrastructure Scheme for LWE-affected areas in 2026-27, compared to the revised estimate of Rs 3,006.56 crore in the last fiscal.

"This item contains provision for the Schemes of Security Related Expenditure, Special Infrastructure Scheme and Special Central Assistance to 35 worst affected districts in the Left Wing Extremist affected areas, assistance to central agencies for LWE management, Civic Action Programmes, Media Plan activities in various States," the Budget

document said.

The funds have been made available to the Home Ministry under the head "Transfers to States/UTs" as part of the Centrally Sponsored Scheme for Modernisation of Police Forces.

Overall, the allocation for the modernisation of Police Forces has been raised by nearly 24 per cent to Rs 4,061.34 crore in 2026-27 from the revised estimate of Rs 3,279.53 crore last year.

The Budget has also earmarked Rs 20 crore for the Civic Action Programme and Media Plan under disaster management. The programme includes civic outreach activities by Central Armed Police Forces in Naxal-affected areas, Jammu and Kashmir and the northeastern region, along with expenditure on media outreach and publicity.

Last year, Union Home Minister Amit Shah said that India would be free from LWE by March 2026, underlining the need for a strong and decisive strategy to deal with the problem.

# Govt allocates Rs 13,705 crore for Department of Space

NEW DELHI, Feb 1 (PTI)

ISRO's plans to build new rockets to achieve the ambition of its own space station and human spaceflights got a boost on Sunday with Finance Minister Nirmala Sitharaman allocating Rs 13,705.60 crore for the Department of Space.

The allocation in the Union Budget for 2026-27 is a marginal increase over the budgetary estimate of Rs 13,416 crore for the current fiscal.

The Department of Space actually received Rs 12,448.60 crore as per the revised estimates for 2025-26.

In the budget for 2026-27, the allocation of Rs 10,397.06 crore has been made under the head 'space technology' which

includes support for the activities of various ISRO centres including Vikram Sarabhai Space Centre, Liquid Propulsion Systems Centre, ISRO Propulsion Complex, and UR Rao Satellite Centre.

The support covers various space technology projects consisting of Launch Vehicle Projects and Satellite Projects, including developmental and operational projects, and IN-SPACE schemes.

Of the total outlay, Rs 7,329.70 crore is revenue expenditure while Rs 6,375.90 crore is capital spending, a jump of nearly Rs 1,066 crore over last year's revised capital plan.

ISRO plans to carry out uncrewed flights of the Gaganyaan mission this year

and is also developing the Next Generation Launch Vehicle to launch heavier payloads in orbit.

"The increase in ISRO's allocation is an important signal that will help support deeper private sector participation in ISRO-led programmes across launch vehicles, satellites and scientific missions," Lt Gen A K Bhatt (retd), Indian Space Association Director General, said.

Satcom Industry Association-India President Subba Rao Pavuluri said some industry priorities, including targeted incentives for space manufacturing, GST rationalisation, a hybrid PLI (production-linked incentive) for space, and formal recognition of space as critical infrastructure, are still awaited.

# FM announces rare earth corridor for Tamil Nadu

CHENNAI, Feb 1 (PTI)

FINANCE Minister Nirmala Sitharaman on Sunday announced schemes in the Union Budget for Tamil Nadu including high speed rail links for Chennai, ecologically sustainable mountain trail in Podhigai Malai in the Western Ghats and a rare earth corridor.

Bird watching trails along the Pulikat lake and development of the archaeological site of Adichanallur into a vibrant, experiential cultural destinations were among the other announcements she made.

As regards Adichanallur, excavated landscapes will be opened to the public through curated walkways. Immersive storytelling skills and technologies will be introduced to help conservation labs, interpretation centres, and guides.

The Minister in her Budget speech said that in order to promote environmentally sustain-



able passenger systems, “we will develop seven High-Speed Rail corridors between cities as growth connectors and Hyderabad-Chennai, and Chennai-Bengaluru would be among them.”

Further, she said: “A scheme for Rare Earth Permanent Magnets was launched in November 2025. We now propose to support the mineral-rich States of Odisha, Kerala, Andhra Pradesh and Tamil Nadu to establish dedicated Rare Earth Corridors to promote mining, processing, research and manufacturing.”

India has the potential and opportunity to offer world-class trekking and hiking experience. Ecologically sustainable mountain trail will be developed in Podhigai Malai in the Western Ghats. Also, bird watching trails will be developed along the Pulikat lake which covers both Tamil Nadu and Andhra Pradesh.

“Cities are India’s engines of growth, innovation, and opportunities. We shall now focus on Tier II and Tier III cities, and even temple-towns, which need modern infrastructure and basic amenities. This Budget aims to further amplify the potential of cities to deliver the economic power of agglomerations by mapping city economic regions (CER), based on their specific growth drivers. An allocation of Rs 5000 crore per CER over 5 years is proposed for implementing their plans through a challenge mode with a reform-cum-results based financing mechanism.”

# Over Rs 95,000 cr for VB-G RAM G

## MGNREGA gets Rs 30,000 cr in Budget

NEW DELHI, Jan 1 (PTI)

AS THE VB-G RAM G scheme is set to be rolled out, the Centre has allocated Rs 95,692.31 crore for it, while an allocation of Rs 30,000 crore has been made for the MGNREGA.

The Viksit Bharat-Guarantee for Rozgar Aajeevika Mission (Grameen) (VB-G RAM G), which promises 125 days of work in a year, will replace the two-decade-old UPA-era rural employment scheme framed under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), 2005. The MGNREGA scheme will continue till the VB-G RAM G is implemented, and the pending works are completed, Rural Development Ministry officials have said.

According to the Budget documents, the total allocation for the Ministry's Department of Rural Development, is Rs 1,94,368.81 crore, marginally higher than in the last fiscal -- Rs 1,86,995.61 crore, as per the revised estimates.

The allocation for the Department of Land Resources for 2026-27 is Rs 2,654.33. In 2025-26, Rs 2,651 were allocated for this department, while the revised estimate puts the expenditure figure at Rs 1,757.4 crore.

The total expenditure on the MGNREGA programme, as per the revised estimates from 2025-26, was Rs 88,000 crore, while initially, a sum of Rs 86,000 crore was allocated. The allocation for the Pradhan Mantri Gram Sadak Yojana (PMGSY) for 2026-27.

# MEA gets Rs 22,118 cr in Union Budget for 2026-27



Finance Minister Nirmala Sitharaman with officials pose outside the Ministry of Finance before the presentation of the Union Budget 2026-27, in New Delhi, Sunday, Feb. 1, 2026. Minister of State for Finance Pankaj Chaudhary and others also seen. (PTI)

NEW DELHI, Feb 1 (PTI)

BHUTAN was on Sunday allocated the largest share of Rs 2,288 crore as development aid in the Union Budget for 2026-27 followed by Rs 800 crore to Nepal and Rs 550 crore each to the

Maldives and Mauritius.

The Ministry of External Affairs (MEA) was allocated a total of Rs 22,118 crore as against current fiscal's budget estimate of Rs 20,516 crore and revised estimate of Rs 21,742 crore.

For the next fiscal, the alloca-

tion for Bangladesh has been pegged at Rs 60 crore. While the budget allocation to Bangladesh for 2025-26 was Rs 120 crore, the revised estimate put the amount at Rs 34.48 crore as ties between the two sides remained frosty.

In a departure from last few years, no allocation has been made for the Chabahar port project. In the budget last year, an amount of Rs 100 crore was set aside for the Chabahar port project and the amount increased to Rs 400 crore in the revised estimate.

The total overseas development partnership portfolio for 2025-26 has been pegged at Rs 6,997 crore which is little over 31 per cent of the allocation made to the MEA.

Interestingly, out of the total allocation under the overseas development partnership portfolio, Rs 4,548 crore has been earmarked for immediate neighbours.

# US starting to talk to Cuba amid moves to cut oil supplies: Trump

■ By Michelle L Price  
and Will Weissert

ABOARD AIR FORCE ONE, Feb 1  
(AP)

PRESIDENT Donald Trump said the US was beginning to talk with Cuban leaders as his administration is putting greater pressure on the communist-run island and cutting off key oil supplies.

The Republican President made the comment to reporters on Saturday night as he was flying to Florida. It comes in the wake of his moves in recent weeks to cut off supplies of oil from Venezuela and Mexico, which he suggested on Saturday would force Cuba to the negotiating table. His goals with Cuba remain unclear, but Trump has turned more of his attention toward the island after his administration in early January captured Venezuela's then-President Nicolas Maduro and has been more aggressive in confronting nations that are adversaries of the US.

Trump has predicted that the Cuban Government is ready to fall. He did not offer any details on Saturday about what level of outreach his administration has



had with Cuba recently or when, but simply said, "We're starting to talk to Cuba." His recent moves to cut off its oil supplies have squeezed the island.

This past week, Trump signed an executive order to impose a tariff on any goods from countries that sell or provide oil to Cuba. The move put pressure on Mexico, which Cuba became dependent on for oil after Trump halted oil shipments from Venezuela in the wake of Maduro's ouster. Mexican President Claudia Sheinbaum warned that it could cause a humanitarian crisis. She said on Friday that she would seek alternatives to continue helping Cuba.

## 'Feds will not intervene during protests unless asked to do so'

WASHINGTON, Feb 1 (AP)

DONALD Trump said that he has instructed Homeland Security Secretary Kristi Noem not to intervene in protests occurring in cities led by Democrats unless local authorities ask for federal help amid mounting criticism of his administration's immigration crackdown.

On his social media site, Trump posted that "under no circumstances are we going to participate in various poorly run Democrat Cities with regard to their Protests and/or Riots unless, and until, they ask us for help." He provided no further details on how his order would affect operations by US Customs and Immigration Enforcement and DHS personnel.

# US attack would spark 'regional war': Khamenei

■ By Jon Gambrell  
DUBAI, Feb 1 (AP)

IRAN'S supreme leader warned on Sunday that any attack by the United States would spark a "regional war" in the Mid-East, further escalating tensions as President Donald Trump has threatened to militarily strike the Islamic Republic.

The comments from the 86-year-old Ayatollah Ali Khamenei are the most direct threat he's made so far as the aircraft carrier USS Abraham Lincoln and associated American warships are in the Arabian Sea, sent by Trump there after Tehran's bloody crackdown on nationwide protests.

It remains unclear whether Trump will use force. He's repeatedly said Iran wants to negotiate and has brought up Tehran's nuclear programme as another issue he wants to see resolved.

But Khamenei also referred to the nationwide protests as "a coup", hardening the



Iranian lawmakers chant slogans as they wear the Revolutionary Guard's uniform in a session of Parliament in Tehran. (AP/PTI)

Government's position as tens of thousands of people reportedly have been detained since the start of the demonstrations.

Seditious charges in Iran can carry the death penalty, which again renews concerns about Tehran carrying out mass executions for those arrested - a red line for Trump. Iran had also

planned a live-fire military drill for Sunday and Monday in the strategic Strait of Hormuz, the narrow mouth of the Persian Gulf through which a fifth of all oil traded passes. The US military's Central Command had warned against threatening American warships or aircraft during the drill or disrupting commercial

traffic. Iranian state television reported Khamenei's comments online before airing any footage of his remarks.

"The Americans should know that if they start a war, this time it will be a regional war," Khamenei was quoted as saying.

It added that Khamenei said: "We are not the instigators and we do not seek to attack any country. But the Iranian nation will deliver a firm blow to anyone who attacks or harasses it."

Khamenei also hardened his position on the demonstrations after earlier acknowledging some people had legitimate economic grievances that sparked their protests. The demonstrations began Dec 28, initially over the collapse of Iran's rial currency. It soon grew into a direct challenge to Khamenei's rule.

"The recent sedition was similar to a coup. Of course, the coup was suppressed," he said. "Their goal was to destroy sensitive and effective centres involved in running the country, and for this

reason they attacked the police, government centres, (Revolutionary Guard) facilities, banks and mosques - and burned copies of the Quran. They targeted centres that run the country." The Speaker of Iran's Parliament, meanwhile, said that the Islamic Republic now considers all European Union militaries to be terrorist groups, lashing out after the bloc declared the country's paramilitary Revolutionary Guard a terror group over its bloody crackdown on nationwide protests.

Mohammad Bagher Qalibaf, a former Guard commander, announced the terror designation, which will likely be mostly symbolic. Iran has used a 2019 law to reciprocally declare other nations' militaries terror groups following the United States declaration of the Guard a terror group that year.

Qalibaf made the announcement as he and others in parliament wore Guard uniforms in support of the force.



# BUDGET 2026-2027

# Reform Express to Viksit Bharat



Finance Minister Nirmala Sitharaman unveils **Rs 53.5 lakh crore** Budget  
Focus on **3 Kartavyas** - Accelerating growth, Fulfilling aspirations, and Sabka Sath, Sabka Vikas

NEW DELHI, Feb 1 (PTI)

FINANCE Minister Nirmala Sitharaman on Sunday announced a slew of measures to boost manufacturing, a tax holiday for global data centres, and incentives for the agriculture and tourism sectors as she unveiled a Rs 53.5 lakh crore Budget seen as a long-term blueprint for sustaining growth amid rising global risks.

Sticking to fiscal discipline and shunning populist measures despite five key States, including West Bengal and Tamil Nadu, heading to polls soon, her Budget for the fiscal year beginning April, however, rattled stock markets, with a higher transaction tax on derivatives trading weighing on sentiment.

The Budget 2026-27 has simplified the Customs regime by rationalising exemptions, waiving Customs Duty on 17 cancer drugs, while easing baggage rules and reducing duty to 10 per cent on goods imported for personal use. Presenting her record 9th straight Budget, Sitharaman stepped up the Government's capital expenditure outlay to Rs 12.2 lakh crore from Rs 11.2 lakh crore last year, underscoring its focus on infrastructure-led growth amid global uncertainty.

The Budget focuses on 3 Kartavyas -- accelerating growth, fulfilling aspirations, and Sabka Sath, Sabka Vikas.

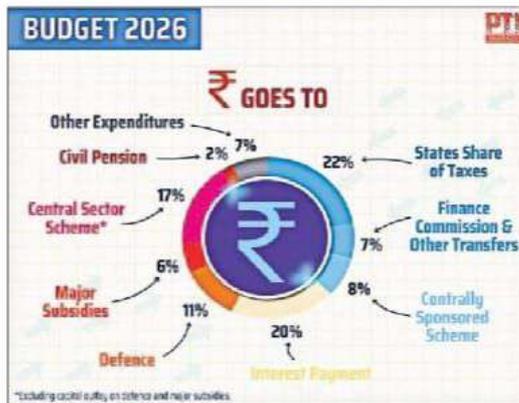
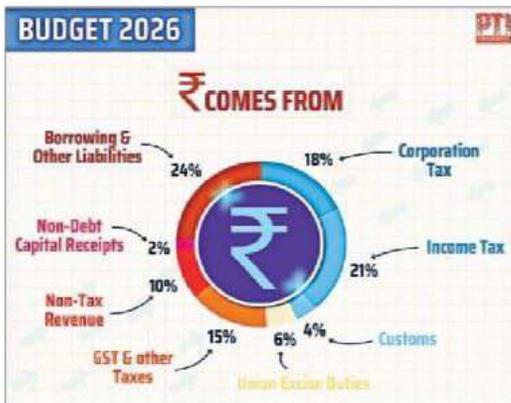
The Government will prioritise scaling up manufacturing across seven sectors -- pharmaceuticals, semiconductors, rare-earth magnets, chemicals, capital

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goods, textiles and sports goods, she said. Also, the emphasis will be on job creation and technology-driven development. A series of initiatives were also announced for  
(Contd on page 5)

BUDGET 2026-27	
<b>How the Central Govt Will Spend</b>	
Budget Estimates 2026-27 (in ₹ crore)	
Total: <b>53,47,315</b>	
Interest	14,03,972
Transport	5,98,520
Defence	5,94,585
Major Subsidies	4,10,495
Pension	2,96,214
Rural Development	2,73,108
Home Affairs (including Uts)	2,55,234
Agriculture and Allied Activities	1,62,671
Education	1,39,289
Energy	1,09,029
Health	1,04,599
Urban Development	85,522
IT and Telecom	74,560
Commerce and Industry	70,296
Social Welfare	62,362
Scientific Departments	55,756
Tax Administration	45,500
External Affairs	22,119
Finance	20,649
Development of North East	6,812
Others	5,56,021

Source: Budget 2026-27 documents  
KBK Infographics



## Lacklustre, disappointing, s

NEW DELHI, Feb 1 (PTI)

THE Congress on Sunday described the Union Budget as "total-ly lacklustre" and blind to India's real crises, saying it did not offer any solution to the country's economic, social and political challenges.



Rahul Gandhi to India's real crises, the youth w

Congress President Mallikarjun Kharge said, "Mission Mode" is now 'Challenge Route'. Reform Express rarely stops at any "Reform" Junction. Net result: no policy vision, no political will."

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NEW DELHI, Feb 1 (PTI)

## HIGHLIGHTS

THE following are the highlights of the Union Budget 2026-27 presented by Finance Minister Nirmala Sitharaman in the Lok Sabha.

- No change in Income Tax rates
- Securities Transaction Tax (STT) raised on futures and options (F&O) to 0.05 pc and 0.15 pc
- TCS on sale of overseas tour packages slashed to 2 pc
- TCS on overseas education, medical expenses under LRS (Liberalised Remittance Scheme) cut to 2 pc
- New Income Tax Act, 2025, to be implemented from April 1; rules, forms to

- come soon
- ITR filing date for non-audit businesses extended by a month till August 31
- Tax holiday up to 2047 for any foreign company for providing services globally from data centres in India
- Fiscal deficit pegged at 4.3 pc of GDP in FY27, lower than 4.4 per cent in FY26
- Debt-to-GDP to be cut to 55.6 pc from 56.1 pc in the current fiscal year
- Total Budget size at Rs 53.5 lakh crore
- Govt capital expenditure hiked to Rs 12.2 lakh crore from Rs 11.11 lakh crore in FY26
- Rs 1.4 lakh crore to be

devolved to states as tax share.

- Net tax receipts estimated at Rs 28.7 lakh crore
- Gross market borrowings estimated at Rs 17.2 lakh crore
- Budget focuses on 3 Kartavyas -- accelerating growth, fulfilling aspirations, and Sabka Sath, Sabka Vikas
- Reform express on track, over 350 reforms rolled out
- Proposes Rs 10,000 crore SME Growth fund to create future champions
- Trust-based systems for Customs, advance ruling validity period extended to 5 years
- High-level committee to increase the services sector contribution to 10 pc by 2047.

## ALLOCATIONS

**15 pc hike for DEFENCE Gets Rs 7.85 lakh cr**

NEW DELHI, Feb 1 (PTI)

INDIA on Sunday set aside Rs 7,84,678 crore as defence outlay for 2026-27 in a steep hike of 15 per cent over last year's allocation of Rs 6.81 lakh crore, with its military majorly focusing on boosting combat prowess in the face of increasing security challenges from China and Pakistan.

**Rs 2.77 lakh cr for Railways**

NEW DELHI, Feb 1 (PTI)

Tally 7.0 Prime

Thoughtful built